



State of Washington
Department of Revenue

Excise Tax Advisory

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NUMBER 123.12.176

CONVERSION DATE: July 1, 1998

COMMERCIAL DEEP SEA FISHING VESSEL EXEMPTION

Issued August 5, 1966

May a water vessel owner claim an exemption for commercial deep sea fishing operations for a watercraft designed, built and intended for commercial deep sea fishing outside Washington territorial waters but used primarily in conducting charter operations for sport fishermen?

The taxpayer was assessed a Use Tax upon a vessel built for use as a commercial deep sea fishing boat but which was primarily used only as a charter fishing boat for sport fishing. The taxpayer owned the boat for thirteen months and he used it for one full season for charter-sport fishing. The auditor assessed the tax, contending that, although this vessel was designed as a deep sea fishing craft and the taxpayer was engaged in some commercial deep sea fishing, the taxpayer did not use the vessel primarily in the conduct of his commercial deep sea fishing operations outside the territorial waters of Washington but used it rather as a charter boat for sport fishing. The taxpayer claimed an exemption under RCW 82.12.030(4). He contended that the facts clearly evidenced an original intent on his part to use the vessel for commercial deep sea fishing outside Washington territorial waters, but due to financial conditions beyond his control he was forced to use the vessel for charter purposes.

The Commission held that the exemption sought by the taxpayer was limited by the language of RCW 82.12.030(4), which provides that the Use Tax shall not apply

"In respect to the use of any . . . watercraft . . . used primarily in commercial deep sea. fishing operations outside the territorial waters of the state."

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The Commission has held that charter boats used for sport fishing do not qualify for an exemption under RCW 82.12.030(4). (See ETB 71.) However, in this case, the taxpayer was operating a boat designed and equipped for deep sea fishing for charter operations.

The Commission noted that the legislature might have made the exemption available to persons using watercraft which were simply designed and equipped for deep sea fishing, but, under the exemption as written, it was applicable only to watercraft actually used primarily in commercial deep sea fishing operations outside the territorial waters of the state. Therefore, although the taxpayer designed and equipped the boat for deep sea fishing operations, his use of the boat for charter operations prohibited an exemption under RCW 82.12.030(4).